

Robert Ready

From: Robert Ready
Sent: May 07, 2010 6:59 PM
To: Mike Goldak
Subject: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM
Attachments: Proposal-Taylor D2,3,4,5-Tr Co of KS.pdf; OA-Taylor D2,3,4,5 Proposal-COG 5-7-10, AAPL 1989-Individual Loss.pdf

The Trust Company of Kansas, Trustee of the
Dorothy Dell Graeber Trust dated May 5, 1978
Attn: Mr. Michael Goldak
5151 S. 4th Street
Leavenworth, Kansas 66048

Dear Mr. Goldak,

As previously communicated, our records reflect that The Trust Company of Kansas, as Trustee of the Dorothy Dell Graeber Trust dated May 5, 1978, owns a 6.25% unleased mineral interest in the lands described below. COG Operating LLC owns the majority interest in the subject lands, and desires to acquire or obtain commitment of all outstanding interests in the following tract:

Section 9, T17S-R32E, NMPM, Lea County, New Mexico
S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation
Containing 160 acres, more or less

We are prepared to commence drilling on the subject lands soon. To that end, please find the attached Well Proposals, AFEs and our proposed form of operating agreement. Feel free to contact me to discuss alternatives to your participation in the subject wells. I will be glad to work with you.

Best regards,

J. Robert Ready, Senior Landman, CPL
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345
Fax (432) 686-3000

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Robert Ready

From: Microsoft Exchange
To: Mike Goldak
Sent: May 07, 2010 7:02 PM
Subject: Relayed: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Delivery to these recipients or distribution lists is complete, but delivery notification was not sent by the destination:

Mike Goldak

Subject: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Sent by Microsoft Exchange Server 2007

Robert Ready

From: Mike Goldak [msggoldak@tckansas.com]
To: Robert Ready
Sent: May 11, 2010 7:50 AM
Subject: Read: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Your message was read on Tuesday, May 11, 2010 7:50:27 AM (GMT-06:00) Central Time (US & Canada).



May 7, 2010

Sent via Email to 'msgoldak@tckansas.com and
Federal Express Airbill # 8709 3258 2653

The Trust Company of Kansas, Trustee of the
Dorothy Dell Graeber Trust dated May 5, 1978
Attn: Mr. Michael Goldak
5151 S. 4th Street
Leavenworth, Kansas 66048

RE: Well Proposals – COG Operating LLC ("COG")

- 1) Taylor D #2 well, NW/4 SE/4
- 2) Taylor D #3 well, SW/4 NE/4
- 3) Taylor D #4 well, SE/4 NE/4
- 4) Taylor D #5 well, NE/4 SE/4

All in Section 9-T17S-R32E, NMPM, Lea County, New Mexico

Gentlemen:

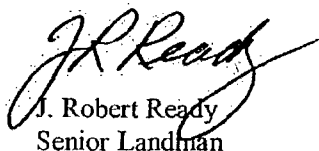
COG Operating LLC ("COG") proposes to drill the above-referenced wells vertical tests of the Yeso formation, as follows:

- 1) Taylor D #2 well, NW/4 SE/4, located 1,650' FSL & 1,650' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 2) Taylor D #3 well, SW/4 NE/4, located 2,210' FNL & 1,650' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 3) Taylor D #4 well, SE/4 NE/4, located 2,120' FNL & 475' FEL of said Section 9, to be drilled to a total depth of approximately 7,000'.
- 4) Taylor D #5 well 1, NE/4 SE/4, located 1,650' FSL & 330' FEL of said Section 9, to be drilled to a total depth of approximately 7,100'.

The total estimated cost of each of the subject wells is \$1,650,000 which is described in more detail in the enclosed Authority for Expenditure ("AFE") for each well, attached to and made a part of this proposal. If you choose to participate in any or all of the wells, please evidence the same by signing, dating and returning to the undersigned the AFE that corresponds to the well(s) in which you choose to participate. For your convenience, you may return AFEs to me by mail to the letterhead address, by fax to (432) 686-3000, or by email to 'rready@conchoresources.com'. A copy of COG's proposed form of operating agreement for the subject wells is also enclosed.

If you choose not to participate in the proposed wells, we will be glad to consider alternatives. Please feel free to contact me about this matter at phone (432) 685-4345 or by email to 'rready@conchoresources.com'.

Sincerely,
COG Operating LLC


J. Robert Ready
Senior Landman

Enclosures: AFEs (4)
Operating Agreement

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #2

LOCATION: Section 9-T17S-R32E, NMPM

FOOTAGE: 1650' FSL & 1650' FEL

PROSPECT NAME: Maljamar (Lowe) Prospect

COUNTY & STATE: Lea County, NM

OBJECTIVE: Yeso test (4 Fracs) 7000'

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305	35,000
Drilling / Completion Overhead	206	2,500	306	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311	29,800
Water	212	14,000	312	46,000
Bits	213	24,000	313	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321	4,500
Casing Crews & Equipment	222	4,000	322	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327	17,000
Testing Casing/Tubing	228	1,800	328	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331	24,000
Stimulation/Treating (4 fracs)			332	369,000
Completion Unit			333	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335	41,000
Rentals-Subsurface	236	26,000	336	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	48,000
Welding Services	238	2,000	338	3,000
Water Disposal	239	500	339	3,500
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,065	343	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000

TANGIBLE COSTS

Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503	154,000
Tubing			504	49,000
Wellhead Equipment	405	6,000	505	9,000
Pumping Unit			506	87,500
Prime Mover			507	0
Rods			508	21,376
Pumps			509	4,500
Tanks			510	3,000
Flowlines			511	5,000
Heater Treater/Separator			512	3,000
Electrical System			513	10,000
Packers/Anchors/Hangers	414		514	900
Couplings/Fittings/Valves	415		515	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	1,000
Contingency 5%	420	5,700	520	24,300
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC

By: Erick W. Nelson

Date Prepared:

5/7/10

We approve:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Company:

By:

Printed Name:

Title:

Date:

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #3	PROSPECT NAME: Maljamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMMPM	COUNTY & STATE: Lea County, NM
FOOTAGE: 2210' FNL & 1650' FEL	OBJECTIVE: Yeso test (4 Fracs) 7000'

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305	35,000
Drilling / Completion Overhead	206	2,500	306	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311	29,800
Water	212	14,000	312	46,000
Bits	213	24,000	313	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321	4,500
Casing Crews & Equipment	222	4,000	322	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327	17,000
Testing Casing/Tubing	228	1,800	328	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331	24,000
Simulation/Treating (4 fracs)			332	369,000
Completion Unit			333	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335	41,000
Rentals-Subsurface	236	26,000	336	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	337	48,000
Welding Services	238	2,000	338	3,000
Water Disposal	239	500	339	3,500
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,065	343	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000

TANGIBLE COSTS				
Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503	154,000
Tubing			504	49,000
Wellhead Equipment	405	6,000	505	9,000
Pumping Unit			506	87,500
Prime Mover			507	0
Rods			508	21,376
Pumps			509	4,500
Tanks			510	3,000
Flowlines			511	5,000
Heater Treater/Separator			512	3,000
Electrical System			513	10,000
Packers/Anchors/Hangers	414		514	900
Couplings/Fittings/Valves	415		515	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519	1,000
Contingency 5%	420	5,700	520	18,600
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC
By: Erick W. Nelson

Date Prepared: 5/7/10

We approve:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Company:

By:

Printed Name:

Title:

Date:

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #4

PROSPECT NAME: Maljamar (Lowe) Prospect

LOCATION: Section 9-T17S-R32E, NMPM

COUNTY & STATE: Lea County, NM

FOOTAGE: 2120' FNL & 475' FEL

OBJECTIVE: Yeso test (4 Fracs) 7000'

INTANGIBLE COSTS

		BCP	ACP	TOTAL
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800	302	3,800
Damages/Right of Way	203		303	0
Survey/Stake Location	204	2,500	304	2,500
Location/Pits/Road Expense	205	30,000	305 5,000	35,000
Drilling / Completion Overhead	206	2,500	306 2,000	4,500
Turnkey Contract	207		307	0
Footage Contract	208		308	0
Daywork Contract	209	175,000	309	175,000
Directional Drilling Services	210		310	0
Fuel & Power	211	28,800	311 1,000	29,800
Water	212	14,000	312 32,000	46,000
Bits	213	24,000	313 500	24,500
Mud & Chemicals	214	7,000	314	7,000
Drill Stem Test	215		315	0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			319 30,000	30,000
Cement Squeeze	220		320	0
Float Equipment & Centralizers	221	2,500	321 2,000	4,500
Casing Crews & Equipment	222	4,000	322 5,500	9,500
Fishing Tools & Service	223		323	0
Geologic/Engineering	224		324	0
Contract Labor	225	3,000	325 10,000	13,000
Company Supervision	226		326	0
Contract Supervision	227	12,000	327 5,000	17,000
Testing Casing/Tubing	228	1,800	328 2,200	4,000
Mud Logging Unit	229	6,000	329	6,000
Logging	230	15,000	330	15,000
Perforating/Wireline Services	231		331 24,000	24,000
Stimulation/Treating (4 fracs)			332 369,000	369,000
Completion Unit			333 20,000	20,000
Swabbing Unit			334	0
Rentals-Surface	235	5,000	335 36,000	41,000
Rentals-Subsurface	236	26,000	336 10,000	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	337 8,000	48,000
Welding Services	238	2,000	338 1,000	3,000
Water Disposal	239	500	339 3,000	3,500
Plug to Abandon	240		340	0
Seismic Analysis	241		341	0
Closed Loop & Environmental	244	100,000	344	100,000
Miscellaneous	242		342	0
Contingency 5%	243	27,065	343 28,310	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000

TANGIBLE COSTS

Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			503 154,000	154,000
Tubing			504 49,000	49,000
Wellhead Equipment	405	6,000	505 3,000	9,000
Pumping Unit			506 87,500	87,500
Prime Mover			507	0
Rods			508 21,376	21,376
Pumps			509 4,500	4,500
Tanks			510 3,000	3,000
Flowlines			511 5,000	5,000
Heater Treater/Separator			512 3,000	3,000
Electrical System			513 10,000	10,000
Packers/Anchors/Hangers	414		514 900	900
Couplings/Fittings/Valves	415		515 7,000	7,000
Gas Compressors/Meters			516	0
Dehydrator			517	0
Injection Plant/CO2 Equipment			518	0
Miscellaneous	419	500	519 500	1,000
Contingency 5%	420	5,700	520 18,600	24,300
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC

By: Erick W. Nelson

Date Prepared:

6/7/10

We approve:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Company:

By:

Printed Name:

Title:

Date:

**COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
DRILLING**

WELL NAME: Taylor D #5 PROSPECT NAME: Maljamar (Lowe) Prospect
LOCATION: Section 9-T17S-R32E, NMPM COUNTY & STATE: Lea County, NM
FOOTAGE: 1650' FSL & 330' FEL OBJECTIVE: Yeso test (4 Fracs) 7100'

INTANGIBLE COSTS		BCP	ACP	TOTAL
Title/Curative/Permit	201	4,000		4,000
Insurance	202	3,800		3,800
Damages/Right of Way	203			0
Survey/Stake Location	204	2,500		2,500
Location/Pits/Road Expense	205	30,000	5,000	35,000
Drilling / Completion Overhead	206	2,500	2,000	4,500
Turnkey Contract	207			0
Footage Contract	208			0
Daywork Contract	209	175,000		175,000
Directional Drilling Services	210			0
Fuel & Power	211	28,800	1,000	29,800
Water	212	14,000	32,000	46,000
Bits	213	24,000	500	24,500
Mud & Chemicals	214	7,000		7,000
Drill Stem Test	215			0
Coring & Analysis	216			0
Cement Surface	217	15,500		15,500
Cement Intermediate #1	218	16,400		16,400
Cement Intermediate #2				0
Cement Production			30,000	30,000
Cement Squeeze	220			0
Float Equipment & Centralizers	221	2,500	2,000	4,500
Casing Crews & Equipment	222	4,000	5,500	9,500
Fishing Tools & Service	223			0
Geologic/Engineering	224			0
Contract Labor	225	3,000	10,000	13,000
Company Supervision	226			0
Contract Supervision	227	12,000	5,000	17,000
Testing Casing/Tubing	228	1,800	2,200	4,000
Mud Logging Unit	229	6,000		6,000
Logging	230	15,000		15,000
Perforating/Wireline Services	231		24,000	24,000
Stimulation/Treating (4 fracs)			369,000	369,000
Completion Unit			20,000	20,000
Swabbing Unit				0
Rentals-Surface	235	5,000	36,000	41,000
Rentals-Subsurface	236	26,000	10,000	36,000
Trucking/Forklift/Rig Mobilization	237	40,000	8,000	48,000
Welding Services	238	2,000	1,000	3,000
Water Disposal	239	500	3,000	3,500
Plug to Abandon	240			0
Seismic Analysis	241			0
Closed Loop & Environmental	244	100,000		100,000
Miscellaneous	242			0
Contingency 5%	243	27,065	28,310	55,375
TOTAL INTANGIBLES		569,000	595,000	1,163,000
TANGIBLE COSTS				
Surface Casing	401	31,200		31,200
Intermediate Casing #1	402	75,300		75,300
Intermediate Casing #2				0
Production Casing/Liner			154,000	154,000
Tubing			49,000	49,000
Wellhead Equipment	405	6,000	3,000	9,000
Pumping Unit			87,500	87,500
Prime Mover				0
Rods			21,376	21,376
Pumps			4,500	4,500
Tanks			3,000	3,000
Flowlines			5,000	5,000
Heater Treater/Separator			3,000	3,000
Electrical System			10,000	10,000
Packers/Anchors/Hangers	414		900	900
Couplings/Fittings/Valves	415		7,000	7,000
Gas Compressors/Meters				0
Dehydrator				0
Injection Plant/CO2 Equipment				0
Miscellaneous	419	500	500	1,000
Contingency 5%	420	5,700	18,600	24,300
TOTAL TANGIBLES		118,700	367,376	486,076
TOTAL WELL COSTS		688,000	963,000	1,650,000

COG Operating LLC
By: Erick W. Nelson

Date Prepared: 5/7/10

We approve:

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Company:

By: _____
Printed Name: _____
Title: _____
Date: _____

Robert Ready

From: Robert Ready
Sent: May 24, 2010 11:44 AM
To: Mike Goldak
Subject: Oil and Gas Lease Offer-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Dear Mr. Goldak,

Per our earlier conversation, COG Operating LLC desires to purchase an oil and gas lease from The Trust Company of Kansas and Clyde Dell Graeber, co-trustees of the Dorothy Dell Graeber Trust dated May 5, 1978, covering the lands and mineral interest described in the message below. COG hereby offers \$250 per net mineral acre to purchase an oil and gas lease with 3 year primary term and 3/16 royalty, subject to approval of title, covering the 10 net mineral acre interest.

Based on our conversation, it is my understanding that you are receptive to leasing the subject mineral interest. With that in mind, I will submit a proposed form of oil and gas lease to you by email tomorrow. Thank you for your cooperation and consideration. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345
Fax (432) 686-3000

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From: Robert Ready
Sent: May 07, 2010 6:59
To: Mike Goldak
Subject: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

The Trust Company of Kansas, Trustee of the
Dorothy Dell Graeber Trust dated May 5, 1978
Attn: Mr. Michael Goldak
5151 S. 4th Street
Leavenworth, Kansas 66048

Dear Mr. Goldak,

As previously communicated, our records reflect that The Trust Company of Kansas, as Trustee of the Dorothy Dell Graeber Trust dated May 5, 1978, owns a 6.25% unleased mineral interest in the lands described below. COG Operating LLC owns the majority interest in the subject lands, and desires to acquire or obtain commitment of all outstanding interests in the following tract:

Section 9, T17S-R32E, NMPM, Lea County, New Mexico

S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation
Containing 160 acres, more or less

We are prepared to commence drilling on the subject lands soon. To that end, please find the attached Well Proposals, AFEs and our proposed form of operating agreement. Feel free to contact me to discuss alternatives to your participation in the subject wells. I will be glad to work with you.

Best regards,

J. Robert Ready, Senior Landman, CPL
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345
Fax (432) 686-3000

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Robert Ready

From: Robert Ready
Sent: June 01, 2010 2:39 PM
To: Mike Goldak
Subject: Oil and Gas Lease Offer-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM
Attachments: Graeber Trust OGL 6-1-2010.pdf

Dear Mr. Goldak,

In connection with our earlier communications, COG Operating LLC hereby offers \$250 per net mineral acre to purchase an oil and gas lease covering the 10 net mineral acre interest described below, using the attached form, with 3 year primary term and 1/4 royalty (increased from the 3/16 offered below). This offer is subject to approval of title.

Please review this offer and contact me with your questions or acceptance. Should you agree to it, please provide information to complete the signature block and acknowledgment for The Trust Company of Kansas in the oil and gas lease. I will then send the lease to you for execution. After it has been executed by TCK and Mr. Graeber, you can fax the executed document to me and I will send a company check to you in payment of the \$2,500 bonus consideration, in exchange for the original lease.

In anticipation of such requirement by our title attorney, please provide a copy of the trust agreement for our review. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345
Fax (432) 686-3000

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From: Robert Ready
Sent: May 24, 2010 11:44
To: Mike Goldak
Subject: Oil and Gas Lease Offer-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Dear Mr. Goldak,

Per our earlier conversation, COG Operating LLC desires to purchase an oil and gas lease from The Trust Company of Kansas and Clyde Dell Graeber, co-trustees of the Dorothy Dell Graeber Trust dated May 5, 1978, covering the lands and mineral interest described in the message below. COG hereby offers \$250 per net mineral acre to purchase an oil and gas lease with 3 year primary term and 3/16 royalty, subject to approval of title, covering the 10 net mineral acre interest.

Based on our conversation, it is my understanding that you are receptive to leasing the subject mineral interest. With that in mind, I will submit a proposed form of oil and gas lease to you by email tomorrow. Thank you for your cooperation and consideration. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
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From: Robert Ready
Sent: May 07, 2010 6:59
To: Mike Goldak
Subject: Well Proposals-Taylor D 2,3,4,5-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

The Trust Company of Kansas, Trustee of the
Dorothy Dell Graeber Trust dated May 5, 1978
Attn: Mr. Michael Goldak
5151 S. 4th Street
Leavenworth, Kansas 66048

Dear Mr. Goldak,

As previously communicated, our records reflect that The Trust Company of Kansas, as Trustee of the Dorothy Dell Graeber Trust dated May 5, 1978, owns a 6.25% unleased mineral interest in the lands described below. COG Operating LLC owns the majority interest in the subject lands, and desires to acquire or obtain commitment of all outstanding interests in the following tract:

Section 9, T17S-R32E, NMPM, Lea County, New Mexico
S/2 NE/4 and N/2 SE/4, as to depths below the base of the San Andres formation
Containing 160 acres, more or less

We are prepared to commence drilling on the subject lands soon. To that end, please find the attached Well Proposals, AFEs and our proposed form of operating agreement. Feel free to contact me to discuss alternatives to your participation in the subject wells. I will be glad to work with you.

Best regards,

J. Robert Ready, Senior Landman, CPC
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345

Robert Ready

From: Robert Ready
Sent: June 08, 2010 11:16 PM
To: 'Jane Meyer'
Cc: 'Tully Davis'
Subject: OGL Offer-Taylor "D" #2, #3, #4 & #5 wells, Lea County, New Mexico

Dear Ms. Meyer,

In accordance with our conversation on 6/7, it is my understanding that RAM Energy, Inc. has determined not to participate in the drilling of the Taylor D wells and is interested in pursuing an oil and gas lease to COG covering RAM's interest in the subject lands. Further, we understand that RAM desires certain changes to the oil and gas lease offer and that you will provide the details of such changes for our consideration, at your earliest convenience.

Please be advised that COG will proceed with the compulsory pooling hearing on 6/10 and will honor our offer to lease the RAM interest, on mutually agreeable terms, after the hearing. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
Direct (432) 685-4345
Fax (432) 686-3000

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Robert Ready

From: Robert Ready
Sent: June 08, 2010 11:21 PM
To: Mike Goldak
Subject: RE: Oil and Gas Lease Offer-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Dear Mr. Goldak,

It is our understanding that The Trust Company of Kansas and Clyde Dell Graeber, Co-Trustees of the Dorothy Dell Graeber Trust dated May 5, 1978, are interested in entering into an oil and gas lease with COG covering the interest of the Trust in the subject lands. To that end, we respectfully request your response to the offer submitted with the email of 6/1 below.

Please be advised that COG will proceed with the compulsory pooling hearing on 6/10 and will honor our offer to lease the Trust interest, on mutually agreeable terms, after the hearing. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
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From: Robert Ready
Sent: June 01, 2010 2:39
To: Mike Goldak
Subject: Oil and Gas Lease Offer-Trust Co of KS, Tr'ee-Section 9-T17S-R32E, Lea Co., NM

Dear Mr. Goldak,

In connection with our earlier communications, COG Operating LLC hereby offers \$250 per net mineral acre to purchase an oil and gas lease covering the 10 net mineral acre interest described below, using the attached form, with 3 year primary term and 1/4 royalty (increased from the 3/16 offered below). This offer is subject to approval of title.

Please review this offer and contact me with your questions or acceptance. Should you agree to it, please provide information to complete the signature block and acknowledgment for The Trust Company of Kansas in the oil and gas lease. I will then send the lease to you for execution. After it has been executed by TCK and Mr. Graeber, you can fax the executed document to me and I will send a company check to you in payment of the \$2,500 bonus consideration, in exchange for the original lease.

In anticipation of such requirement by our title attorney, please provide a copy of the trust agreement for our review. Should you have questions about this matter, do not hesitate to contact me.

Best regards,

J. Robert Ready, Senior Landman
COG OPERATING LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701
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